

**REGULAR MEETING OF THE CANTON CITY COUNCIL
6:00 P.M., TUESDAY, JANUARY 20, 2015**

City Hall Council Chambers
290 East Tyler Street
Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Richard Lawrence and Councilmembers Elisa Heard, Cary Hilliard, Cindy Malouf, Scott Perkins, and Shawn Stewart.

Also present were City Manager Lonny Cluck, City Secretary Debra Johnson, City Attorney Ron Stutes, Finance Director Kimberly Kroha, Police Chief Mike Echols, Municipal Court Judge Lilia Durham and Public Works Director Walt Lehmann.

Discussion and action were as follows:

1. CALL TO ORDER - The meeting was called to order and a quorum was declared by Mayor Rick Lawrence at 6:01 p.m.
2. INVOCATION was led by Judge Lilia Durham.
3. PLEDGE OF ALLEGIANCE was led by Chief Mike Echols.
4. MAYOR'S WELCOME HONORED WITH PRESENCE OF STUDENT LEADERSHIP – Mayor Lawrence welcomed those students attending from Canton High School and welcomed the audience in attendance and those listening on the radio.
5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - Councilmember Perkins declared a conflict on Item 20 of the agenda.
6. PROCLAMATIONS AND ANNOUNCEMENTS
 - A. PROCLAMATION OBSERVING APRIL AS FAIR HOUSING MONTH IN THE CITY OF CANTON – Mayor Lawrence read the Proclamation designating April 2015 as Fair Housing Month.

CITIZENS FORUM

7. CITIZENS FORUM – CITIZENS ARE INVITED TO SPEAK FOR THREE (3) MINUTES ON MATTERS RELATING TO CITY GOVERNMENT THAT ARE NOT LISTED ON THE REGULAR AGENDA – None.

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES OF THE DECEMBER 16, 2014 CITY COUNCIL MEETINGS
9. CONSIDER APPROVAL OF DECEMBER 2014 FINANCIAL STATEMENTS

Items on the consent agenda were unanimously approved upon motion by

Councilmember Stewart and second by Councilmember Heard.

INDIVIDUAL CONSIDERATION

10. DISCUSS USE OF EAST TEXAS COMMUNITIES FOUNDATION (ETCF) FOR MILL CREEK LAKE TRAIL DONATIONS – Kyle Penney, President of East Texas Community Funds, explained the various options available to the City to receive donations for the Mill Creek Trail project.
11. CONSIDER ADOPTION OF RESOLUTION NO. 2015-2 DECLARING SUPPORT FOR THE PROPOSED OAKS OF WESTVIEW DEVELOPMENT (CURRENTLY WESTVIEW APARTMENTS) LOCATED AT 1201 WEST COLLEGE, CANTON, TEXAS, A JOINT HOUSING TAX CREDIT AND HOME FUNDS APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE YEAR 2015 –

Councilmember Stewart made a motion to adopt Resolution No. 2015-02. Councilmember Malouf seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve
Council Member - Cindy Malouf: Approve

12. CONSIDER ADOPTION OF RESOLUTION NO. 2015-3 ACKNOWLEDGING THE CITY OF CANTON HAS MORE THAN TWICE THE STATE AVERAGE OF UNITS PER CAPITA SUPPORTED BY HOUSING TAX CREDITS, DECLARING SUPPORT FOR THE PROPOSED OAKS OF WESTVIEW DEVELOPMENT (CURRENTLY WESTVIEW APARTMENTS) LOCATED AT 1201 WEST COLLEGE, CANTON, TEXAS, APPROVING THE ACQUISITION AND REHAB OF THE DEVELOPMENT, AND AUTHORIZING AN ALLOCATION OF HOUSING TAX CREDITS

Councilmember Malouf made a motion to adopt Resolution No. 2015-03. Councilmember Perkins seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve
Council Member - Cindy Malouf: Approve

13. CONSIDER AWARDING CONTRACT FOR ENGINEERING SERVICES FOR THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CITY HALL)

Councilmember Perkins made a motion to award the contract for Engineering Services to J. Max Slicker. Councilmember Hilliard seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve

Council Member - Cindy Malouf: Approve

14. CONSIDER ADOPTION OF RESOLUTION NO. 2015-7 AUTHORIZING INDIVIDUALS TO SIGN CONTRACTUAL DOCUMENTS ASSOCIATED WITH THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (7214069)

Councilmember Stewart made a motion to adopt Resolution No. 2015-07. Councilmember Perkins seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve
Council Member - Cindy Malouf: Approve

15. CONSIDER APPOINTING A COMMITTEE TO RECOMMEND A SELECTION FOR CITIZEN OF THE YEAR AWARD – Councilmember Stewart made a motion to appoint Councilmember Heard and Malouf to the selection committee for the 2015 Citizen of the Year award. Councilmember Perkins seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve
Council Member - Cindy Malouf: Approve

16. CONSIDER ADOPTION OF RESOLUTION NO. 2015-01 ESTABLISHING GUIDELINES FOR MAYOR/COUNCIL INTERACTION WITH CITY STAFF – Mayor Lawrence postponed this item to the next agenda to allow Councilmember Heard and Mr. Cluck to finalize a policy.

17. CONSIDER ADOPTION OF RESOLUTION NO. 2015-06 ESTABLISHING A POLICY FOR USE OF ELECTRONIC TABLETS BY COUNCIL

Councilmember Heard made a motion to adopt Resolution No. 2015-06. Councilmember Perkins seconded.

Council Member - Cary Hilliard: Approve
Council Member - Elisa M. Heard: Approve
Mayor Pro Tem - Shawn Stewart: Approve
Council Member - Scott Perkins: Approve
Council Member - Cindy Malouf: Approve

18. DISCUSS AND CONSIDER CALLING BOND ELECTION FOR FINANCING OF VARIOUS CITY PROJECTS - Councilmember Hilliard requested this item be discussed after Item 19. Councilmember Hilliard made a motion to hold a bond election in May for an amount to be determined. There being no second, the motion failed.

19. **CONSIDER DESIGN, CONSTRUCTION AND FINANCING OF PROJECTS INCLUDING, BUT NOT LIMITED TO, STREETS AND UTILITIES, IMPROVEMENTS TO FIRST MONDAY GROUNDS, CONSTRUCTION OF NEW CELL TOWER, RELOCATION OF ANTENNAS FROM HISTORIC WATER TOWER, REPAINTING OF HISTORIC WATER TOWER, AND NEW CITY HALL** - Mayor Lawrence made a recommendation to borrow \$2.5 million on a tax note which would allow the City to pay off the indebtedness within seven years and would save a substantial amount in interest payments. The \$2.5 million would be used to pay for a new city hall, restoration of the water tower and the extension of Trade Center IV. Later in the year, the City could begin a massive street maintenance repair program. Mr. Cluck said the City would keep the same level of debt payments they had at this time, which was approximately \$710,000 per year. The City had two notes which would be paid off in the next two years so the debt load would not change. We would still have to go through Southwest Securities to obtain the tax note because it was normally done through a private, not public, issuance. The \$4 million certificate of obligation would have a fifteen-year payout. Council would have to decide in advance on which projects the \$2.5 million would be spent. Councilmember Hilliard said the \$2.5 million tax note would double the City's debt. He felt a bond election should be held. Councilmember Heard asked how much the City would save in interest by using the \$2.5 million tax note versus the \$4 million certificate of obligation. Mr. Cluck said he had met several times with the architect and staff about the design of the new city hall. His goal was to have a better cost estimate before the next meeting. Mayor Lawrence suggested having a workshop before the next meeting if Mr. Cluck received more information about the design and cost.

EXECUTIVE SESSION

In accordance with the authority contained in Sections 551.071 and 551.072 of the Open Meetings Law, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, Council will convene in closed or executive session to discuss the following matters.

20. **EXECUTIVE SESSION FOR DELIBERATIONS WITH CITY ATTORNEY REGARDING POTENTIAL SALE, PURCHASE, LEASE OR VALUE OF REAL PROPERTY (Section 551.072)** - Mayor Lawrence convened Council into Executive Session at 7:07 p.m.

RETURN TO OPEN SESSION

21. **RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION** - Council reconvened into open session at 7:16 p.m. with no action taken.
22. **CITY MANAGEMENT REPORTS**
- A. **NEW WATER TOWER** – Mr. Cluck reported the engineers were going to run a test for chlorine in the water coming out of the water tower to determine if there was a leak. The tower had been on line for about two months. There had been several water leaks in town recently, but Mr. Cluck could not say if they were a direct result of the new tower being on line. Most of the leaks were galvanized pipes which were rotted out. Councilmember Stewart asked how long it would be before they could start working on the streets identified as priorities to repair. Mr. Cluck said it would probably be summer before we could determine if there would be any more

leaks related to the increased pressure from the water tower. Mr. Cluck said the firefighters were going to be testing the fire hydrants which could lead to some breaks under the street also. He wanted them to complete that before the streets were redone.

- B. FIRST MONDAY - Mr. Cluck said attendance was down at First Monday in January, although they were still up for the year.
- C. CODE ENFORCEMENT OFFICER – Mr. Cluck reported we had advertised in the Tyler and local papers, on the TML website and on the City's website but had not yet received any applications from individuals with code enforcement credentials. Mr. Cluck also brought up the fact that the City needed to update the building codes in order to comply with ISO regulations. Councilmember Stewart was concerned increasing the building standards might impact the City economically as far as growth. Mr. Cluck also said he wanted to approach TxDOT about providing concrete and steel to fix the section of sidewalk in front of Buttermilks which was in need of repair.
- D. TABLETS FOR COUNCIL – Ms. Johnson reported the tablets were ready for distribution and they would be used at the next meeting.

Mr. Cluck advised Council they would have to find another location to hold meetings while City Hall was being refurbished. Mayor Lawrence said he would contact the County Judge. Mr. Cluck suggested using the Municipal Courtroom.

- 23. ITEMS FOR FUTURE AGENDAS - None
- 24. ADJOURN - There being no further business to discuss, Mayor Lawrence adjourned the meeting at 7:44 p.m.